DEPARTMENT OF HEALTH SERVICES

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P.O. BOX 942732
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October 4, 1989

TO: All County Welfare Directors
     All County Administrative Officers
     All County Title IV-D Administrators

Letter No.: 89-83

SUBJECT: RESTRUCTURING MEDI-CAL AID CODES

The State needs information from the County Welfare Departments in order to plan and implement an aid code restructure with a minimum amount of disruption to the counties. This letter provides an overview of the following items:

- what problem are we trying to solve;

- what alternatives were reviewed and by whom;

- what evaluation criteria was used;

- which alternative was recommended;

- how the State plans to implement this change;

- what information the State needs from the counties.

Background

The first digit of the two digit aid code field is called the tens of aid (for example, the tens of aid for aid code 30 is 3; for aid code 67, it would be 6). In many cases, this digit has been structured to represent a certain subset of the welfare population. For example, aid codes starting with the digit "1" have been used for subsets of the welfare population that are aged; "2" has been used for subsets of the welfare population that are blind; "3" for cash assistance; "4" for Foster Care; "6" for disabled; "8" for State-only programs; and "9" for County-only programs.

The second digit is called the units of aid. There is some structure used for the units of aid, but there are many exceptions. For example, the digit "1" in the units of aid denotes that the person is getting services only (except when the tens of aid is 0, 5, 7, 8, or 9). Another example is that the digit "7" in the units of aid indicates that the recipient needs to pay a share-of-cost before he or she can receive Medi-Cal benefits (except when the tens of aid is either 4, 5, 7, or 9).

Problem: The State is running out of unused aid codes.

Because of the flurry of recent Federal and State legislation, there are only eight (8) unused aid codes in the range from 01 to 89. Aid codes 90 through 99 have been reserved for County use and aid code 00 is used by many counties and is not considered available for a new aid category. The relatively small number of unused aid codes is of concern because aid codes are not only used to identify individual subsets of the welfare population, but also for fiscal claiming, rate setting, refugee tracking, Federal reporting, and claims processing. There would be significant consequences if the State were to run out of unused aid codes in terms of the associated data processing costs, validity of data, and confusion at the worker level.

Another related problem is that the reduced stock of aid codes will force the State to assign aid codes which dilute the tens of aid structure and cause both confusion and EDP modifications (for example, assignment of the 185 Percent Program aid codes of 47 and 69 required some counties to modify certain age edits). Four of the remaining eight aid codes either start with the digit "1" (at this time, all aid codes that begin with this digit are associated with subsets of the welfare population that are Aged) or "2" (all aid codes that begin with this digit are associated with subsets of the welfare population that are Blind). Using them for other types of categories may require additional EDP modifications as well as confusion for the county workers. So there are actually only four unused aid codes (07, 70, 75, and 79) that the State would want to assign to a new type of eligible (that wasn't Aged or Blind). It should be noted that there are several other aid codes which may be available for reassignment when the related programs expire in 1990.

Potential Solutions

There are two general categories of alternatives - either to expand the pool of aid codes or do not expand the pool of aid codes. The number of available aid codes could be expanded in one of three ways:

1.   make aid code a 3-digit field;

2.   continue aid code as 2-digit, but make one or more digits alphanumeric characters; or

3.   combine little-used existing aid codes with other aid codes.

If we do not expand the number of available aid codes, the counties would have to put new populations in existing aid codes and the State would need to make major modifications to many systems in order to continue to perform the current administrative functions.

It should be noted that the State is NOT planning to renumber any existing aid codes in order to reestablish the aid code groupings.

The alternatives were discussed with State staff from both DHS and DSS as well as County staff attending one or more of the following meetings - the County MEDS Advisory Group (both North and South), the California Welfare Director's Association (CWDA) Fiscal Subcommittee, the Case Data Systems Automated Case Budgeting/MEDS Subcommittee and the CWDA Statewide Automated Welfare System/Management Information System (SAWS/MIS) Subcommittee.

Evaluation Criteria

Five major factors were used to evaluate each alternative:

1. Would there be a continued ability to identify subgroups?

2. What is the cost to modify the associated data processing systems (how many systems will be impacted; how complex would the modifications be)?

3. Would this require a redesign of forms and Medi-Cal cards?

4. Would this require historical conversion?

5. Is this alternative acceptable to the counties, the fiscal intermediaries, and the State groups which utilize the aid code field?

Recommended Alternative

Based on responses from State and County organizations, we recommend that the pool of aid codes be expanded by making the units of aid accept alphanumeric characters (for example, "3A" or "1B"). The following alternatives were analyzed to expand the pool of aid codes:

1. Convert the aid code to a 3-digit numeric, (for example, "101" or "102";

2. retain a two digit aid code; both digits would be defined as alphanumeric (for example, "BC" or "AD");

3. retain a two digit aid code; only tens of aid could be alpha (for example, "B1" or "D5");

4. retain two digit aid code; only units of aid could be alpha (for example, "1A" or "8C";

5. recycle infrequently used aid codes.

It was determined that recycling aid codes was not a viable solution, as it is only a temporary fix. Of the remaining alternatives, the recommended alternative is the least costly and most acceptable to both the State and the Counties.

Implementation Plan

The recommendation will be presented to DHS and DSS staff on September 27, 1989. The information received, as a result of this letter, will be used to request approval from the State and Federal control agencies. The State plans to ask the Federal control agencies to approve the total project, so that individual counties will need to submit a Cost Benefit Analysis/Implementation Plan (CBA/IP) rather than a separate Advance Planning Document (APD) for approval.

Cost data will also be used to build the FY 90-91 budget. A standardized formatted CBA/IP will be set up for counties to identify more detailed costs. This will be sent to the counties in January 1990; the counties will be asked to respond by March 1990. The State approval, which is contingent upon Federal approval, is scheduled for May 1990. Implementation is scheduled for November 1990.

Information needed from the counties

At this time, the State needs the following information. First, an estimate is needed on the costs to modify the County's data processing system to accept alphanumeric values in the aid code field. Secondly, we need a list of aid codes in the 90's series that your County uses.

A.   Cost Estimates

The State may consider assigning alphanumeric aid codes only to Medi-Cal cases depending upon county feedback. Please provide two estimates.

1.   if only Medi-Cal aid codes could have an alpha character in the units of aid;

2.   if any aid code could have an alpha character in the units of aid.

If it appears to be significantly less expensive for the counties to modify their data processing systems for Medi-Cal only, the State will attempt to establish a strategy for assigning aid codes which reserves the remaining numeric aid codes for DSS programs.

The types of data processing tasks required to implement this change include modifying program definitions (from alpha to alphanumeric), modifying certain edits that check if the aid code is numeric before taking any action, and modifying any logic that uses aid codes to build subscripts for table lookups.

The cost figures that each County provides will be used to:

1. develop a total cost for the project for the Federal control agencies;

2) request monies in the FY 90-91 budget so there is money available to reimburse the counties.

We need to provide an actual dollar estimate to the Department of Finance by October 12, 1989. If the County estimate is not received by the State prior to that date, State staff will estimate a cost for your County based on feedback from other counties.

If your estimate needs to be made by a vendor, please contact Faye McGirr of DSS County Approvals at (916) 323-4305 for instructions.

B.   List of County Used Aid Codes

Please provide a list of the aid codes your County uses that have a value from 90 to 99 along with a brief explanation of how each of these aid codes is used. The State wants to know if there are any unused aid codes in this group. If so, these aid codes could be reserved by the State to expand the pool of available aid codes. Please note, these would only be used as a last resort in the two situations described below.

Aid codes in the 90's series might be used by the State if there is a flurry of new Federal or State programs that require new aid codes and we run out of unused aid codes before November 1990. If this is the case, the State may opt to use these aid codes on a temporary basis until alphanumerics can be assigned.

The second reason why these aid codes might be utilized by the State is if there is a mutual County-State agreement to restrict alphanumeric aid codes to Medi-Cal aid codes only (so aid codes reserved for programs other than Medi-Cal would always be numeric), and the State runs out of numeric aid codes to assign. Several counties have indicated that it would not be a major problem to modify their computer systems to accept alpha characters in Medi-Cal aid codes, but it would be a much larger problem to accept alpha aid codes for the other programs.

It would be most helpful for each County to indicate whether it would cause fewer problems for your County if the State assigned an aid code beginning with the digit "1" to a non-aged category than if an aid code beginning with the digit "9" were assigned to a non-County aid category. In either case, it is important to remember that all other numeric aid codes will be assigned to new aid categories before the two unused aid codes beginning with the digit "1" and any unused aid codes beginning with the digit "9" are used.

Based on the response to this letter, we will notify counties that certain aid codes may be reserved by the State. Counties will have thirty days from the date of that notification to provide any additional feedback on this matter.

Your county's cost estimates and list of aid codes your county uses should be received no later than October 10, 1989 and sent to:

Department of Health Services
Data Systems Branch
744 P Street, Room 1100
Sacramento, CA 95814
Attn: Marty Bornstein

or EMC2 Code "HDTVELA"

Please direct any questions on this issue to either of the two DHS staff listed below.

Marty Bornstein, Staff Data Processing Analyst (ATSS) 8-454-6991 or (916) 324-6991
Tina Velasquez, Staff Services Analyst (ATSS) 8-453-9510 or (916) 323-9510

Sincerely,

Original by signed by

Sandra Duveneck, for
Frank Martucci, Chief
Medi-Cal Eligibility Branch
Department of Health Services

Original signed by

Robert Garcia, Deputy Director
Administration Division
Department of Social Services

cc: Medi-Cal Liaisons
     Medi-Cal Program Consultants

Original signed by

Robert Horel, Deputy Director
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Expiration Date: October 4, 1990